



Daily Newswatch

Market Review

The FBM KLCI closed mixed at 1,558.9 (-0.4%) on Thursday wiping off gains due to selling pressure in financial heavyweights. There was a significant pullback in the Financial Services sub-index, which fell to 19,073.5 (-1.2%). Investors largely remained cautious amid lingering uncertainty over trade tariffs. Among index constituents, the mixed session was driven by key names like CIMB which declined the most at (-3.8%), followed by GAMUDA (-2.6%) and HLBANK (-1.9%). Sector-wise, Technology (+1.5%) managed a modest rise, while Utilities (+0.9%) and Plantation (+0.8%) also posted gains providing some support. Overall, market breadth remained positive, with 584 gainers versus 394 decliners.

Economics

- Malaysia:** BNM keeps OPR at 3% as it bets on steady growth, with manageable inflation
- Malaysia:** Government will increase capitation grants to states by 25% in 2026 to improve essential services
- Malaysia:** Dewan Rakyat approves Carbon Capture, Utilisation, and Storage Bill 2025
- US:** Trump weighs agriculture carveouts to Canada, Mexico tariffs
- Japan:** PM Ishita says high US tariffs make investment difficult
- China:** Officials say more stimulus possible if growth slowed
- Canada:** Won't scrap tariffs unless all US levies are lifted, official says
- Vietnam:** Posts rare trade deficit in February; concerns about US tariffs remain

Companies

- CelcomDigi:** ZTE, CelcomDigi partner to boost Malaysia's telecom infrastructure with AI
- Axiata:** edotco chosen as U Mobile's 5G in-building coverage partner
- Tropicana Corp:** Tropicana Corp breaks ground for Breeze Hills Shoppes and Service Apartments in Genting Highlands
- AirAsia:** To bring Subang airport ops back to KLIA2, effective April
- SDS:** Plans one-for-three bonus issue

Upcoming key economic data releases

	Date
US – Feb 2025 NFP, Unemployment Rate	Mar 07
Malaysia – Jan 2025 Unemployment Rate	Mar 11
US – Feb 2025 CPI	Mar 12
US – Feb 2025 CPI	Mar 13
US – Fed Interest Rate Decision & FOMC	Mar 20
Malaysia – Jan 2025 Inflation Rate	Mar 21

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,558.9	(0.4)	(5.1)
Dow Jones	42,579.1	(1.0)	0.1
Nasdaq CI	18,069.3	(2.6)	(6.4)
S&P 500	5,738.5	(1.8)	(2.4)
FTSE 100	8,682.8	(0.8)	6.2
Nikkei 225	37,704.9	0.8	(5.5)
Shanghai CI	3,381.1	1.2	0.9
HSI	24,369.7	3.3	21.5
STI	3,917.1	0.5	3.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,979.5	(5.5)
Value traded (RM m)	2,672.2	(2.5)
Gainers	584	
Losers	394	
Unchanged	452	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
MYEG	0.970	6.6	118.4
G3	0.010	0.0	85.9
NEXG	0.265	1.9	69.5
CIMB	7.500	(3.8)	68.1
NATGATE	1.420	0.7	30.7

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	7.500	(3.8)	513.0
MYEG	0.970	6.6	113.7
PBBANK	4.590	(0.9)	89.4
MAYBANK	10.560	(0.2)	84.7
TENAGA	13.860	0.3	63.3

Currencies	Last Close	% Chg
USD/MYR	4.425	0.1
USD/JPY	148.0	0.0
EUR/USD	1.0789	0.0
USD/CNY	7.2423	(0.1)
US Dollar Index	104.1	(0.2)

Commodities	Last Close	% Chg
Brent (USD/barrel)	69.5	0.2
Gold (USD/troy oz)	2,910.6	(0.0)
CPO (MYR/metric t)	4,747.0	0.1
Bitcoin (USD/BTC)	90,061.7	0.2

Economics

Malaysia: BNM keeps OPR at 3% as it bets on steady growth, with manageable inflation

Bank Negara Malaysia (BNM) maintained the overnight policy rate (OPR) at 3% on Thursday, as widely expected, citing an outlook of continued global and domestic growth, despite tariff and geopolitical uncertainties from major economies, and manageable inflation. The decision was reached by its Monetary Policy Committee (MPC) in a meeting on Thursday. Before the announcement, a Bloomberg poll of 23 economists predicted the central bank would maintain the benchmark interest rate to preserve policy flexibility amid potential impact from new US tariffs. BNM's last rate adjustment was a 25-basis-point increase in May 2023. "At the current OPR level, the monetary policy stance remains supportive of the economy, and is consistent with the current assessment of inflation and growth prospects," BNM said in a statement on Thursday, after noting that the latest indicators pointed towards continued global growth, supported by resilient domestic demand and global trade. (*The Edge*)

Malaysia: Government will increase capitation grants to states by 25% in 2026 to improve essential services

The federal government will allocate RM548m in capitation grants, a 25% increase, to state governments next year to improve essential services like schools and hospitals. These grants are based on the population size of each state. The review of the rate was approved by the 2025 National Financial Council Meeting on Thursday, according to a statement issued by the Ministry of Finance (MOF), and is the first since 2002. (*The Edge*)

Malaysia: Dewan Rakyat approves Carbon Capture, Utilisation, and Storage Bill 2025

The Dewan Rakyat on Thursday approved a proposed legislation to regulate carbon capture and storage (CCS) activities in Peninsular Malaysia and Labuan. The Carbon Capture, Utilisation, and Storage Bill 2025 (CCUS Bill 2025) was passed via a majority voice vote, following debates involving 11 members of Parliament (MPs). Comprising 10 parts and 53 clauses, the bill outlines the responsibilities of storage site operators in environmental protection, risk management and liability, to ensure safe, responsible and internationally compliant CCUS operations. (*The Edge*)

US: Trump weighs agriculture carveouts to Canada, Mexico tariffs

US President Donald Trump is considering exempting certain agricultural products from tariffs imposed on Canada and Mexico, the latest move by the administration on Wednesday to offer relief to certain sectors from the sweeping new import taxes. Agriculture Secretary Brooke Rollins told Bloomberg News that "everything is on the table", and she is "hopeful" that the administration could decide on providing relief for the agricultural sector. "As far as specific exemptions and carveouts for the agriculture industry, perhaps for potash and fertilisers, et cetera — they will be determined," Rollins said on Wednesday at the White House. "We trust the president's leadership on this. I know he is hyper-focused on these communities." (*Bloomberg*)

Japan: PM Ishiba says high US tariffs make investment difficult

Japanese Prime Minister Shigeru Ishiba said on Thursday that high tariffs imposed by US President Donald Trump's administration would make investments in the US difficult. Japanese companies need to generate the funds for US investments, so "high tariffs would make it difficult to invest in the US", Ishiba told Parliament. Almost 90% of Japanese companies expect Trump's policies to hurt business, a Reuters survey showed last month. (*Reuters*)

China: Officials say more stimulus possible if growth slowed

Chinese officials on Thursday flagged more monetary policy easing “at an appropriate time” and left the door open to more stimulus measures on top of those announced at this week’s annual parliament meeting if economic growth veered off track. Finance Minister Lan Foan, central bank governor Pan Gongsheng, and other officials spoke to the media a day after Premier Li Qiang told lawmakers Beijing aimed to keep the tariff-hit economy growing at a roughly 5% rate this year. Pan reiterated his stance that the People’s Bank of China (PBOC) will cut interest rates and inject liquidity into the financial system through cuts to the amount banks are required to hold as reserves “at an appropriate time.” (*Reuters*)

Canada: Won’t scrap tariffs unless all US levies are lifted, official says

Prime Minister Justin Trudeau is not open to lifting Canada’s full package of retaliatory tariffs if US President Donald Trump leaves any tariffs on the country in place, according to a senior Canadian government official. Trudeau’s government is cool to the idea of a “middle ground” settlement in the trade war floated by US Commerce Secretary Howard Lutnick. In particular, any scenario where Canada has to fully rescind its retaliatory tariffs in return for a partial rollback of American tariffs will be rejected by the Canadian prime minister, said the official, speaking on condition they not be identified. The Trump administration imposed 25% tariffs on US imports of Canadian goods, with the exception of energy products such as oil and natural gas, which have a 10% rate. Trudeau’s government responded with counter-tariffs against C\$30bn in American products, including cosmetics, tires, fruit and wine. (*Reuters*)

Vietnam: Posts rare trade deficit in February; concerns about US tariffs remain

Vietnam posted a rare monthly trade deficit in February as imports surged during the month, government data showed on Thursday, though the country’s surplus with the United States increased in the opening months of 2025. The Southeast Asian nation, a regional manufacturing hub, is heavily dependent on export-driven economic growth and faces risks from global trade disputes, including the potential imposition of tariffs by the US. Vietnam posted a trade deficit of US\$1.6bn (RM6.9bn) in February, after a US\$3.0bn surplus in January, the General Statistics Office (GSO) said. It was only the third monthly deficit since the start of 2023, as per GSO and London Stock Exchange Group data. (*Reuters*)

Companies

CelcomDigi: ZTE, CelcomDigi partner to boost Malaysia's telecom infrastructure with AI

Global technology solutions provider ZTE Corporation and CelcomDigi Bhd have partnered to integrate artificial intelligence (AI) technologies into Malaysia's telecommunications infrastructure. Through this collaboration, both companies will enhance connectivity, empower businesses, and support government digital initiatives through AI-driven solutions, including new calling, intelligent deep packet inspection, and intelligent operation and maintenance. "Our partnership with CelcomDigi marks a significant step in bringing AI-driven innovation to Malaysia's telecommunications sector. "By integrating advanced AI solutions, we are improving user experience and helping businesses go digital, ultimately accelerating Malaysia's AI-driven digital transformation to solidify Malaysia's position as a digital hub in the region," ZTE Malaysia managing director Steven Ge said in a statement. (*The Edge*)

Axiata: Edotco chosen as U Mobile's 5G in-building coverage partner

Edotco Malaysia Sdn Bhd has announced a series of collaborations aimed at accelerating 5G telecommunications infrastructure in Malaysia, including being selected as U Mobile Sdn Bhd's 5G in-building coverage (IBC) infrastructure partner. Edotco, in a statement on Thursday, said it is one of the first companies to be recognised as an "official and preferred" 5G IBC infrastructure partner for U Mobile's 5G network rollout, and that the partnership aims to expedite the deployment of 5G coverage inside buildings. U Mobile was selected by the Malaysian government in November last year to spearhead the implementation of the country's second 5G network. "Edotco will provide comprehensive one-stop solutions, including design, supply, site acquisition, commissioning, operation, and maintenance to support U Mobile's 5G IBC expansion," Edotco said. (*The Edge*)

Tropicana Corp: Breaks ground for Breeze Hills Shoppes and Service Apartments in Genting Highlands

Tropicana Corp Bhd has unveiled its latest integrated development, Breeze Hills Shoppes and Service Apartments (Breeze Hills) in Genting Highlands, Pahang, via a groundbreaking ceremony at its site in Gohtong Jaya on Thursday. The developer has appointed China State Construction Engineering Malaysia (CSCEM) as the main contractor for this project. Bentong District and Land Office officer Datuk Mohammad Shahid Ismail served as the guest of honour at the ceremony. Located on a 6.7-acre freehold tract, Breeze Hills has a gross development value (GDV) of RM1.4bn, and is a part of the Tropicana Avalon township. (*The Edge*)

AirAsia: To bring Subang airport ops back to klia2, effective April 7

AirAsia Aviation Group said it is relocating its domestic services from the Sultan Abdul Aziz Shah Airport in Subang to Kuala Lumpur International Airport Terminal 2 (klia2), effective April 7. The reconsolidation move is aimed at optimising operations amidst growing demand and enhancing the overall guest experience, the low-cost airline said in a statement on its website on Thursday. AirAsia just resumed operations at the Sultan Abdul Aziz Shah Airport in August last year. (*The Edge*)

SDS: Plans one-for-three bonus issue

SDS Group Bhd has proposed to undertake a bonus share exercise on a one-for-three basis — one bonus share for every three existing shares — to reward shareholders and improve trading liquidity of its shares. The exercise will see the company's share base expand from 409.6m shares currently to 546.2m shares, according to the bakery products maker and retailer's bourse filing on Thursday. For illustrative purposes, post-bonus share issuance, the price of SDS shares is expected to be 85.8 sen, based on the five-day volume-weighted average price up to Feb 24 of RM1.1. (*The Edge*)



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.10	0.16	14.82
British American Tobacco (M)	Consumer	6.26	0.57	9.17
Hektar REITS	REIT	0.50	0.04	8.60
Sentral REIT	REIT	0.77	0.06	8.37
REXIT	Technology	0.61	0.05	8.20
YTL Hospital REIT	REIT	1.05	0.08	7.90
KIP REIT	REIT	0.87	0.07	7.70
Amway (M)	Consumer	6.31	0.47	7.45
CapitaLand Malaysia Trust	REIT	0.65	0.05	7.38
Ta Ann Holdings	Plantation	3.81	0.27	7.19
MBM Resources	Consumer	5.51	0.39	7.06
Paramount Corporation	Property	1.07	0.08	7.01
Taliworks Corporation	Utilities	0.72	0.05	6.99
MAG Holdings	Consumer	1.24	0.08	6.61
Magnum	Consumer	1.24	0.08	6.61

Source: Bloomberg

User guide: Mercury Securities compiles a list of dividend-yielding stocks for conservative long-term passive investors looking for regular income whilst capping downside risk of their investment.

Methodology: The list above includes stocks that have a high dividend yield, estimated to be greater than 4% per annum. These stocks also have a history of paying dividends consistently, having paid dividends for the past 3 years.

IPO Tracker

Company	Listing Sought	Issue Price (RM/Share)	No. Of Shares (m)		Closing Date	Listing Date
			Public Issue	Offer for Sale		
Saliran Group Bhd	Main Market	0.27	80.4	38.3	28 Feb	13 Mar
Lim Seong Hai Capital Bhd	ACE Market	0.88	132.0	59.0	06 Mar	21 Mar
Wawasan Dengkil Holdings Bhd	ACE Market	0.25	108.0	54.0	11 Mar	25 Mar
Chemlite Innovation Bhd	ACE Market	0.25	120.0	60.0	12 Mar	26 Mar

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Published & Printed By:

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